CONTEXT FOR THE FFY 2004 PLAN

The "Context" section of the Plan provides background on Kentucky's people, the structure and funding of their mental health services, system changes that are occurring which may influence our planning, and the strategies KDMHMRS uses to advance its mission of improving mental health services and ensuring their accessibility.

Specifically, the Context section includes these parts:

- Description of the State —primarily demographics and population trends;
- Mental Health System—the structure of publicly-funded inpatient and outpatient services systems;
- Funding —state and federal financial resources for community mental health services;
- System Change Activities —the "Olmstead" decision, the "HB 843 Commission;" and HIPAA.
- Strategies —communications, conferences, professional staff initiatives, evidence-based practices, and other ways we develop programs.

Description of the State

The key to understanding the Commonwealth of Kentucky is to acknowledge its diversity. Kentucky is a state of contrasts. From the Appalachian Mountains in its southeast, to the metropolitan areas of its central regions, and to the coalfields in the west, Kentucky's diverse economic and cultural regions require special consideration in planning.

The following demographic and economic trends in Kentucky, based on 2000 census and census projection data, are provided as a context for the state's mental health plan.

THE NUMBER OF KENTUCKIANS IS GROWING MODERATELY. The state population grew more than nine percent during the 1990s.

KENTUCKY'S YOUTH POPULATION IS GROWING AT A RATE LOWER THAN THE NATIONAL AVERAGE. The number of children under eighteen has increased four percent, while the population of adult Kentuckians has increased twelve percent.

KENTUCKY'S POPULATION OF OLDER PERSONS IS INCREASING AT A RATE HIGHER THAN THE NATIONAL AVERAGE. The 60+ population has increased by 7.3% since 1990; the 85+ population has increased by 25.7% since 1990.

MANY KENTUCKIANS ARE POORLY EDUCATED. According to the National Center for Public Policy and Higher Education, in 2000 Kentucky ranked 44th in the nation, with 77.9 percent of the population earning high school diplomas or GEDs. However, Kentucky's high school drop out rate has improved to 3.97% in 2002, as compared with a national average of 4.8%. This represents a ten-year low for Kentucky.

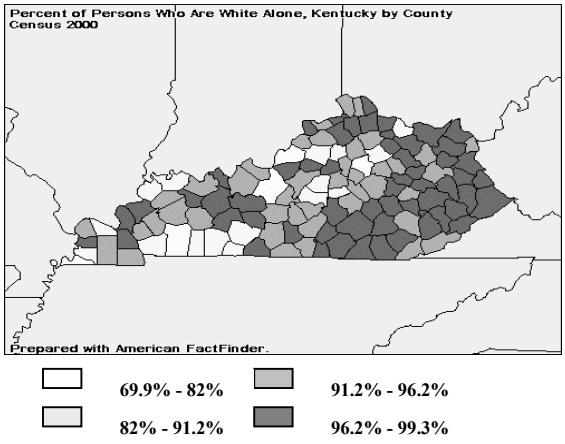
A LARGE PROPORTION OF KENTUCKIANS ARE DISADVANTAGED. Nationally, Kentucky ranks tenth in the percentage of persons receiving public aid, and fifth in its percentage of food stamp recipients. Sixteen percent of our state's population is living in poverty. According to 1999 estimates, 23 percent of our children and almost 20 percent of our seniors live in poverty, compared to national rates of 17 percent and 10 percent, respectively.

KENTUCKY'S EMPLOYMENT RATE IS LOW. Kentucky nationally ranks 31st in employment with only 63 percent of our adult population employed. Approximately one-third of Kentuckians who are employed full-time are living below the poverty level.

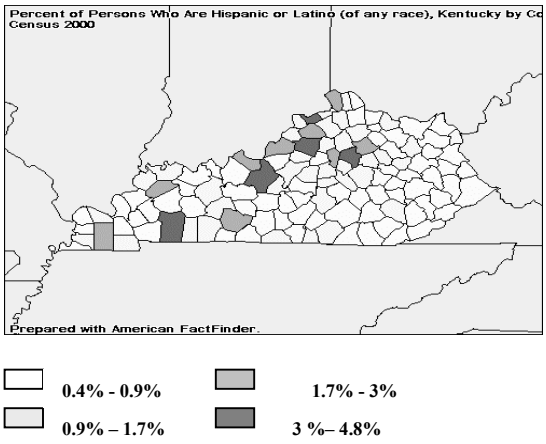
KENTUCKIANS MEDIAN INCOME RANKS LOW. Kentucky's median income is $38,437 and the state ranks nationally as 36th.

OF KENTUCKY'S TOP TEN HEALTH PROBLEMS, FOUR WERE BEHAVIORAL HEALTH ISSUES. Depression, alcohol abuse, mental retardation, and sexual/ domestic violence were among the top ten health problems identified by Kentucky epidemiologists in 1992. *Healthy Kentuckians 2010*, Kentucky's commitment to the

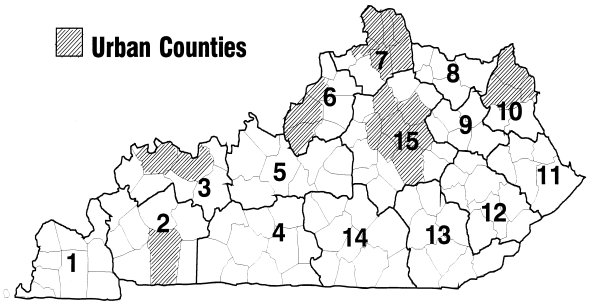
Healthy People 2010 initiative, proposes objectives for dealing with these significant problems.



KENTUCKY'S POPULATION IS PREDOMINATELY WHITE. The proportion of our state's population that is white is 90 percent; seven percent of the population is African-American; fewer than 2 percent is Hispanic; and fewer than one percent are American Indian. Of the 295,000 African-Americans in Kentucky, more than half live in Louisville or Lexington. The largest proportion of African-Americans, 1 in 4, is found in Christian County, the home of the Fort Campbell army base. African-Americans comprise less than one percent of the population of 42 of the state's 120 counties.



ALMOST ALL KENTUCKIANS HAVE ENGLISH AS THEIR FIRST LANGUAGE. Persons over five years of age who primarily speak a language other than English comprise less than one percent of the population.



99 OF KENTUCKY'S 120 (MSA) COUNTIES ARE RURAL, BUT ALMOST HALF OUR POPULATION LIVES IN URBAN COUNTIES. Of 4,041,769 Kentuckians, 1,915,485 (47%) live in urban communities.

Department for Mental Health and Mental Retardation Services

The Kentucky Department for Mental Health and Mental Retardation Services (KDMHMRS) is a department within the Cabinet for Health Services, an umbrella agency that also includes:

- Department for Public Health
- Department for Medicaid Services
- Office of Aging Services
- Commission for Children with Special Health Care Needs
- Office of Women's Physical and Mental Health
- Office of Inspector General
- Office of Certificate of Need

An organizational chart is contained on the Cabinet's web site at http://chs.ky.gov/chs/cabinetinfo/orgcharts.htm

A Commissioner appointed by the Secretary of the Cabinet for Health Services leads the KDMHMRS. KDMHMRS is identified by Kentucky Revised Statute (KRS) 194.030 as the primary state agency for developing and administering programs for the prevention, detection and treatment of mental health, mental retardation and substance abuse disorders. The Department is organized into four divisions:

- Division of Mental Health
- Division of Mental Retardation
- Division of Substance Abuse
- Division of Administration and Financial Management

To fulfill its statutory mandate to develop and administer a comprehensive mental health services system, KDMHMRS:

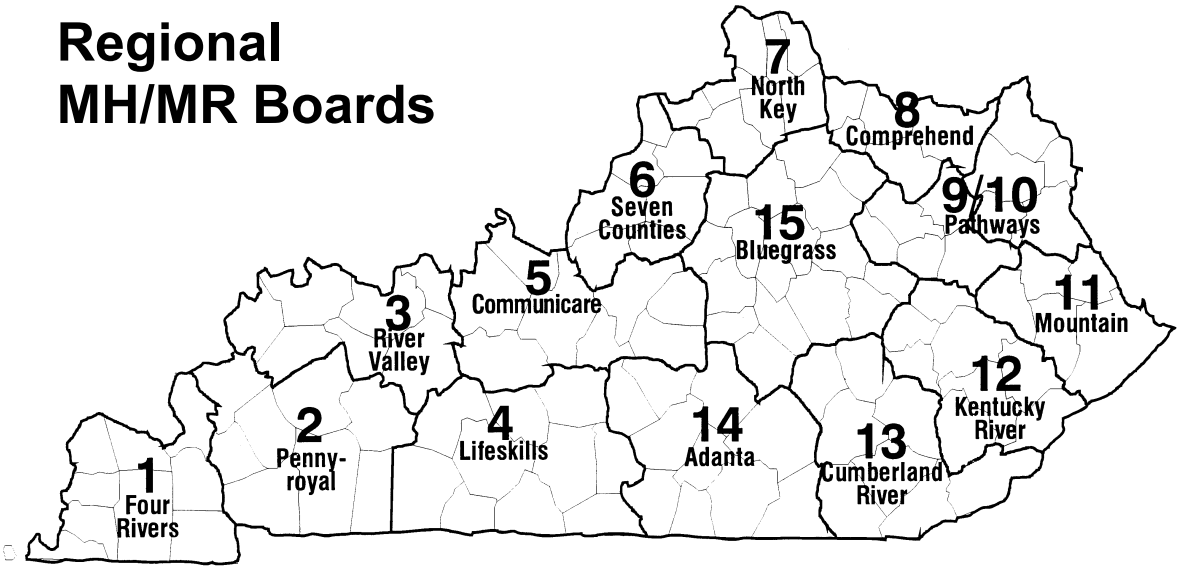
- Contracts with fourteen Regional Mental Health/Mental Retardation (MH/MR) Boards for community services;
- Operates two state hospitals, two nursing facilities and a maximum security psychiatric facility; and
- Contracts for the operation of two hospitals and three specialized, personal care homes.

These facilities are more fully described in subsequent sections.

Regional MH/MR Boards

Kentucky is divided into fourteen geographic regions for the purposes of planning and providing community-based mental health services. Community mental health services in a region are administered by a Regional MH/MR Board. These boards,

which are licensed and known as “community mental health centers,” are private, non-profit organizations authorized by KRS 210.370-210.480, which authorizes them to plan and administer community programs in their service areas. Together, they serve all 120 Kentucky counties.



Regional MH/MR Boards must provide, at a minimum, the following mental health services:

- Inpatient services (typically by referral agreement);
- Outpatient services;
- Partial hospitalization/ psychosocial rehabilitation services;
- Emergency services; and
- Consultation and education services.

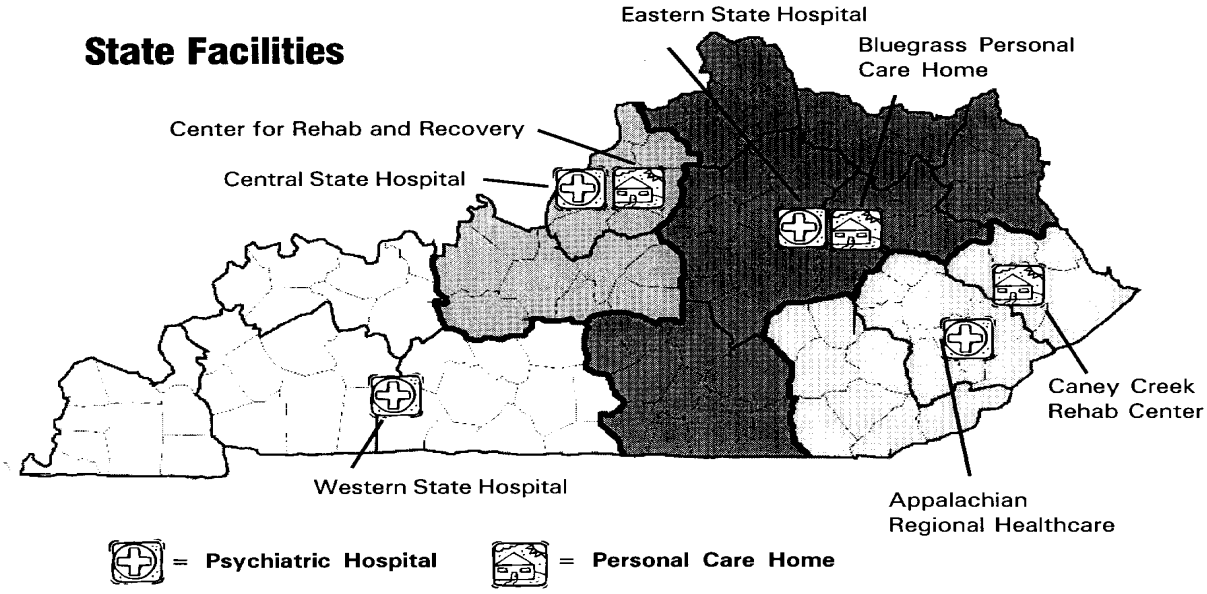
Regional MH/MR Boards have collaborated with KDMHMRS to expand the array of community mental health services beyond those services mandated by law. Most importantly, Regional MH/MR Boards provide preventive, supportive, rehabilitative and recovery services that enable adults with severe mental illness and children with severe emotional disturbances to live in the community.

State Psychiatric Hospitals

For over 160 years, Kentucky has operated psychiatric facilities that provide evaluation and treatment for individuals who require psychiatric hospitalization. Kentucky’s state hospitals for adults are:

- Western State Hospital, Hopkinsville (state-operated)
- Central State Hospital, Louisville (state-operated)

- Eastern State Hospital, Lexington (contracted to Bluegrass MH/MR Board)
- Appalachian Regional Hospital (ARH) Psychiatric Unit, Hazard (contracted to ARH)



In addition to the adult state hospitals, KDMHMRS operates Kentucky Correctional Psychiatric Center, a maximum-security inpatient psychiatric hospital. It provides inpatient and outpatient services to pre-trial individuals charged with a felony offense and those convicted of a felony offense. The facility provides outpatient competency evaluation programs through eleven Regional MH/MR Boards.

Kentucky was one of the earliest states to limit its use of institutions for adults. Since the 1950s, Kentucky has reduced its state hospital census capacity by over ninety percent. According to 2002 daily census information from the University of Kentucky Research & Data Management Center, there were 14.9 hospitalized persons per 100,000 adults.

To facilitate the coordination of community mental health programs and state hospitals, state law assigns catchment regions to hospitals that coincide with Regional MH/MR Board boundaries (see map). In addition, KDMHMRS contracts require Regional MH/MR Boards to provide continuity of care to adults with severe mental illness who are discharged to the community by state hospitals.

Kentucky does not operate a state hospital for children. Psychiatric hospitalization for children is available through Kentucky's private hospitals. There are approximately 650 psychiatric beds available for children and adolescents (0-17 year olds) statewide. Hospitals report occupancy rates for calendar year 2001 of 64 percent.

Personal Care Homes

To provide a less restrictive alternative for people in state hospitals who lacked appropriate community resources but no longer needed a hospital level of care, specialized personal care homes for adults with severe mental illness are available in three of the four hospital districts. The Regional MH/MR Boards for the regions in which they are located operate the facilities. The focus of the rehabilitative programming within these facilities is the teaching of skills and behaviors that will enable residents to be integrated into the community.

Funding

Mental health services by Regional MH/MR Boards are financed through several funding streams:

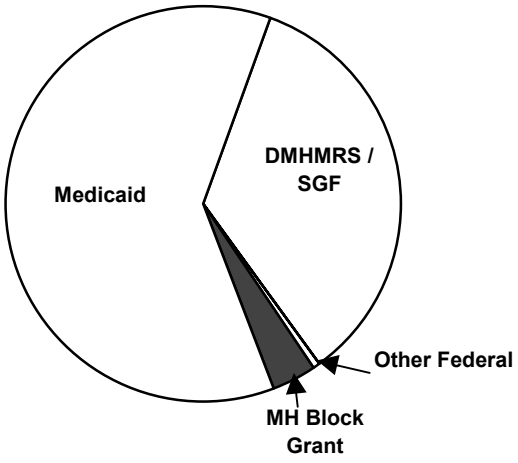
- State General Funds—funds appropriated to KDMHMRS by the General Assembly for "Community Care and Support" and for restricted mental health purposes and allocated to the Regional MH/MR Boards. Some Regional Boards also receive revenues from counties through special taxing districts;

- Medicaid—money earned through billings to the state Medicaid program by staff qualified to serve Medicaid eligible consumers. Medicare is also a source of federal revenues through qualified billings; and

- Mental Health Block Grant—federal funds received by KDMHMRS and allocated to the Regional MH/MR Boards.

The following table and chart shows the size and relative contribution of these funding sources to the total.

Sources of Regional Board Mental Health Revenues



Source of Revenue	*Revenue*	*Percent*
Medicaid	$101,230.810	61.4
DMHMRS/ SGF	$56,663,317	34.4
MH Block Grant (includes carryover)	$5,954,445	3.6
Other Federal	$1,067,036	0.60
TOTAL	$164,915,608	100

State General Funds

The General Assembly appropriates two types of state funds that are used for community mental health services:

- Community Care and Support—funds allocated for all three KDMHMRS program areas (substance abuse, mental retardation, and mental health). These funds are allocated by KDMHMRS to the Regional MH/MR Boards using a formula primarily based on population size. The Regional Boards decide how to use these funds within programs to cover shortfalls from other revenue sources when they serve people who lack Medicaid, Medicare, or private insurance.

- Restricted Mental Health—funds appropriated specifically for mental health services. Some of these funds may be historically tied to a specific service. Others may be limited to a specific population such as adults with a severe mental illness (SMI) or children with a severe emotional disturbance (SED).

Essentially, all community mental health funds expended by the KDMHMRS are contracted to the Regional MH/MR Boards with the exception of a few statewide programs. Regional MH/MR Boards may subcontract some services to other local agencies.

Historically, Kentucky spends less per capita on mental health services than almost any other state, and ranks 41st in per capita expenditures for mental health services. Concerns over Kentucky's standing among its peers in the nation helped prompt the creation of the "HB 843 Commission," which is discussed in the next part of the Context section, "Systems Change Activities."

Falling tax revenues caused cuts in Kentucky's state government budget in SFYs 2002 and 2003, and will likely continue into 2004. Cuts taken to balance the SFY 2002 and 2003 budgets have so far been taken from administrative costs to preserve funding levels for services through Regional Boards.

Despite the gloomy state and federal funding pictures, planning through the HB 843 Commission and the Olmstead State Plan (also discussed below) permitted more funds for community mental health services for the 2003-2004 biennium for these programs:

- Completion of the crisis stabilization network for adults and children;
- Establishing a network of Early Childhood Mental Health Specialists;
- Mental health training for jailers; and
- Wraparound funding to purchase services for a small number of difficult-to-place patients in state psychiatric hospitals.

Expansion related to HB 843 and Olmstead is also reflected in the budgets of sister Departments:

- Expansion of funding for supported employment (Vocational Rehabilitation); and
- Early childhood mental health consultation (Public Health)

During SFY 2004, the second year of the biennium, rollout of these initiatives will continue. In the crisis stabilization program, six regions received funding during SFY 2003 while five regions will receive funding to establish new programs during SFY 2004.

Medicaid

Regional MH/MR Boards are the Medicaid providers of "Community Mental Health Services," which is covered under the optional "Rehabilitation" element of the State Medicaid plan. The service includes traditional Outpatient services by psychiatrists, physicians, and other mental health professionals (licensed or under supervision), as well as Therapeutic Rehabilitation services. In addition, Medicaid covers "Targeted Case Management Services" by Regional Boards to adults with SMI and children with SED.

Medicaid also covers "IMPACT Plus" services, an individualized and flexible program of services for children at risk of institutionalization. Provider participation is not limited to Regional MH/MR Boards, and the network includes many new or non-traditional mental health organizations. IMPACT Plus is more fully described under the Plan for Children with SED.

KDMHMRS works closely with Kentucky Medicaid to coordinate state and Medicaid coverage requirements so that program planning is consistent and service provision to people who gain or lose Medicaid eligibility may be seamless.

Like most other states, Kentucky is facing a crisis in state revenues for its Medicaid match. So far, Medicaid's coverage of mental health services has been maintained using an array of strategies that have not caused wholesale interruptions in services, although some restructuring in some regions has been necessary, often due to a combination of factors including federal and local trends.

Mental Health Block Grant

Mental Health Block Grant funds are drawn down by Kentucky through the submission and acceptance of this planning document by the federal Center for Mental Health Services. These funds are often used for programs that are not reimbursable through Medicaid, especially programs that advance systems of care. The funds are limited to programs for adults with SMI and children with SED.

Prior to a change in methodology that began in SFY 2001, block grant funds had been awarded to Regional MH/MR Boards based on a competitive "request for proposal" process. Now, new funds are awarded to bring regions to per capita equity. Regional Boards submit plans to strengthen their systems of care, the plans

are reviewed by regional stakeholder councils, and, if approved, the Regional Boards may flexibly allocate the funds in accordance with the plan.

Requirements for regional plans are developed by the Mental Health Services Planning Council, plans are submitted as part of the Regional Boards' annual Plan and Budget proposal, and members of the council assist KDMHMRS staff in the review of the plans. Information from regional plans for SFY 2004 has been incorporated in the planning documents for adults with severe mental illness and children with severe emotional disturbances.

System Change Activities

Three system change activities are impacting the mental health system in Kentucky and are discussed in this section:

- HB 843 Commission—a regionally-based statewide planning effort to strengthen services for people with mental illnesses and substance abuse or co-occurring disorders;
- *Olmstead* Planning Activities—the effort to improve access to community services for people with disabilities who are living in institutions; and
- HIPAA—the Health Insurance Portability and Accountability Act.

HB 843 Commission

The Kentucky Commission on Services and Supports for Individuals with Mental Illness, Alcohol, and Other Drug Disorders (the "Commission") was established by House Bill 843 during the 2000 General Assembly. House Bill 843 required the state's 14 Regional MH/MR Boards to convene Regional Planning Councils of stakeholders to assess needs, identify gaps, and recommend changes in policy and funding for mental health and substance abuse disorders, including services to people with co-occurring disorders. The Councils' reports were submitted to the state Commission, which includes representatives of executive branch departments and six legislators, who compiled a state plan. The process builds on the regional planning authority vested in the Regional Boards by statute.

In June 2001, the Commission published the "Template for Change," a document which outlines a regionally based assessment of the mental health and substance abuse needs of Kentuckians. The needs assessment included:

- A summary of each region's needs assessment and priorities;
- Identification of "common issues" in the regions' reports;
- Reports of work groups established at the state level to address criminal justice, quality assurance, consumer satisfaction, services for children, adults, and the aging; and
- A formative list of recommendations by the Commission, including recommendations to make the commission's membership more inclusive and to continue its work.

The Commission published its second annual report in October 2002. "The Template for Change 2002 Progress Report" provides an update on the activities and accomplishments related to the work of the Commission.

Among the accomplishments are several initiatives that were funded as part of the Governor's 2002 spending plan. These areas include:

- Completion of the statewide Crisis Stabilization Network;

- Substance abuse services for women;
- Early childhood mental health services;
- Wraparound funds for community placement of adults in state psychiatric hospitals for long-term stays;
- Supported employment funding increase; and
- Funds to train jailers in mental health screening to prevent inmate suicides.

These funding steps were seen as huge successes considering the revenue shortages that Kentucky and other states find themselves facing. Kentucky's national ranking of 41st per capita general fund spending for mental health services will not rapidly change, but these successes represent a first step toward the commission's goal to achieve a ranking of 25th in the nation.

Other positive steps included:

- The passage of legislation that expanded the number of Qualified Mental Health Professionals;
- More flexibility in the method of funding Regional MH/MR Boards; and
- Continuation of services aimed at producing healthy babies through the KIDS NOW initiative.

The HB 843 Commission was expanded to represent more people and organizations with an executive order from the Governor in July 2002, and then confirmed with the passage of HB 194 during the 2003 General Assembly. The Commission now has 27 members and three alternates. Especially noteworthy was the addition of consumers and family members of consumers of mental health or substance abuse services.

Other relevant legislation passed during the 2003 General Assembly included:

- Removal of the provision that would sunset the Commission in 2004;
- Requiring all providers, receiving public funds for service provision to have formalized quality assurance and improvement processes, including but not limited to a grievance procedure; and
- Advanced Mental Health Directives.

Work groups have been charged by the Commission to further examine the system of care, quality improvement, and justice system interface issues identified by the Commission and Regional Planning Councils. The work groups now include:

- Children's;
- Criminal Justice/Behavioral Health;
- Advance Mental Health Directive;
- Professional Staffing;
- Public Education (Anti-Stigma);
- Aging;
- Quality Assurance;

- Housing;
- Employment;
- Transportation; and
- Access to Medications.

The Commission has much work to be done for 2004 and beyond. The primary focus for 2004 will be the development of a two-year work plan. Issues likely to be addressed will include, but not be limited to:

- Increased funding flexibility;
- The impact of the projected Medicaid deficit;
- Issues related to the criminal justice and behavioral health interface;
- Implementing Advanced Mental Health Directives; and
- Responding to the identified overarching issues that include housing, medications, and transportation.

Olmstead Planning Activities

The Cabinet for Health Services, with grant funding from the Robert Wood Johnson Foundation and the Center for Health Care Strategies, convened a broad stakeholder group in December 2000, which included state agency staff, consumers, parents of consumers and consumer representatives. The group was asked to develop a planning document in response to the issues raised in the Supreme Court's Olmstead decision.

The Olmstead Planning Committee met regularly from December 2000 through August 2001. A final report with policy recommendations was presented to the Cabinet for Health Services in October 2001 for review and evaluation. A final "lessons learned" document, required under the provisions of the grant, was provided to the Center for Health Care Strategies as the grant concluded.

The Secretary of the Cabinet for Health Services has since issued two administrative orders to provide administrative support and direction to the development of a state Olmstead Compliance Plan. One order established a Consumer Advisory Council to "develop and implement a compliance and systems change plan to meet the broad mandate of the Supreme Court's Olmstead decision". Another order established an internal steering group comprised of Department and Division heads within the Cabinet for Health Services. The Olmstead State Consumer Advisory Council met for the first time in June 2002.

The Cabinet for Health Services also received a $2 million Real Choices grant from the Center for Medicare and Medicaid Services (DMS) in late September 2001. This grant provides the impetus for significant systems change across in three broad areas:

- Workforce development;
- Quality and consumer satisfaction; and
- Housing affordability and accessibility.

The Olmstead State Consumer Advisory Council, as well as a subgroup of this Council, provides input and advice on the projects undertaken through these planning initiatives over a three-year grant period.

An application for financial assistance to Advocates for Human Potential for CMHS funds to support efforts to build coalitions to promote community-based care has also been funded. This $20,000 grant is used to promote the participation of mental health consumers and advocates in education and outreach activities about the Olmstead decision. In addition, the funding will provide for the deployment of peer advocates to assist individuals with severe mental illness transitioning from institutions to the community.

Recently, the Cabinet for Health Services executed a voluntary compliance agreement with the federal Office of Civil Rights that outlines actions that KDMHMRS will take to insure that individuals residing in state psychiatric hospitals are assisted in developing transition plans to move to the community as quickly as possible. A performance monitoring system, new policies and procedures, and new community resources ("Olmstead Wraparound Funds") were created. As a result, a significant reduction in the number of individuals hospitalized over one year has been achieved.

Health Insurance Portability and Accountability Act

KDMHMRS has successfully implemented the privacy regulation of the Health Insurance Portability and Accountability Act (HIPAA). The Notice of Privacy Practices has been developed and published, and Policies and Procedures have been adopted and approved. Department staff has received a basic orientation to HIPAA followed by extensive training. An assessment and gap analysis for compliance with the electronic transactions and security rules is in process across the Cabinet. Department staff participates in the Cabinet level HIPAA compliance team led by the Cabinet's Privacy Officer.

Through contracting procedures, Regional MH/MR Boards and other contractors agree to be Business Associates and thereby comply with HIPAA and its associated regulations. Likewise, the Department provides assurances to its funding entities that its contractors are in compliance. The Department's HIPAA team will continue to educate staff about implications for day-to-day operations.

Strategies

KDMHMRS employs a number of strategies to advance and develop programs, including:

- Population-Based Planning—understanding the mental health needs of the entire population, not just those of consumers;
- Evidence Based Practices—promoting the growing array of mental health interventions that have scientifically proven their effectiveness;
- Data Infrastructure and Outcomes—producing information on services and outcomes that help improve quality and cost-effectiveness;
- Human Resource Development—assuring an adequate supply of qualified mental health and rehabilitation professionals; and
- Communications—using Internet technology to transfer information, and ease access to best practices information and other resources.

Population-Based Planning

While Kentucky's mental health block grant plan is an example of a population-based planning initiative, it recognizes the need for a variety of strategies to deal with the diversity of issues that disability entails. Major strategies used by the Division of Mental Health within and across systems of care include:

- Alignment of planning efforts;
- Cross-training of administrators and service providers; and
- Sharing and analysis of multiple data sets.

KDMHMRS is also responding to the need to plan with public health officials and emergency responders for population-wide interventions in case of a bio-terror or similar event.

Alignment of Planning Efforts

With the release of the President's New Freedom Commission on Mental Health, it is critical that state mental health authorities align state planning, as much as possible, with federal planning efforts. Within the Division of Mental Health, an effort is being made to embed common strategies into planning efforts across the board, whether in the Mental Health Block Grant, HB 843 report, or the Healthy Kentuckians 2010 document.

Cross -Training

Another strategy used by the Division is to promote opportunities for cross training of staff in a number of topics that tend to be population specific. A major focus is training of staff in co-occurring disorders, whether for mental health and substance abuse or mental health and mental retardation. Required certification training for case managers, as well as major training events like the Mental Health Institute, incorporates sessions on cross training.

Analysis of Multiple Data Sets

Other than Medicaid data, there currently is little exchange of data with other agencies that service mutual clients such as:

- Department for Community Based Services (child welfare)
- Department for Public Health
- Department of Education
- Department of Corrections
- Department for Juvenile Justice
- Council on Post Secondary Education
- Department for Vocational Rehabilitation

It is imperative that KDMHMRS collaborate with other agencies that serve mutual clients to:

- Provide a more accurate assessment of current mental health service delivery and remaining need;
- Refine performance indicators that measure outreach and access to services by other populations; and
- Better coordinate planning and deployment of shrinking resources across agencies.

Currently the Division of Mental Health is working with the Department for Community Based Services and the Department for Public Health to develop methods for sharing data without breaching confidentiality. Utilization of private psychiatric hospital beds by Regional MH/MR Board clients is a major subject for analysis during the coming fiscal year.

Bio-Terrorism and Emergency Response

Since the tragic events of September 11, 2001, KDMHMRS and Regional MH/MR Board staff have made a concerted effort at enhancing the mental health and substance abuse emergency preparedness and response capacity on the part of Regional Boards. This culminated in the submission of an application to SAMSHA for a “State Emergency Response Capacity” grant in the fall of 2002. This application, which was collaboratively prepared and submitted by KDMHMRS, the Kentucky Association of Regional Programs, the Kentucky Community Crisis Response Board and the Department for Public Health, was awarded in June, 2003, in the amount of $100,000. Anticipated outcomes resulting from grant implementation include:

- Creation of an ongoing mental health and substance abuse services emergency response training component within each of Kentucky’s community mental health centers;
- An increase in the number of community mental health center staff trained as crisis responders;

- Establishment of a dedicated staff position to assist with grant implementation; and
- The development of regional mental health and substance abuse emergency response plans.

Grant implementation activities are already well underway. In August 2003, staff from all fourteen Regional Boards attended an intensive three-day "Training of Trainers" training event conducted by the Kentucky Community Crisis Response Board. Participants are now charged with the task of returning to their home regions and conducting ongoing training with their Regional Board staff.

Evidence Based Practices

KDMHMRS is committed to identifying and implementing evidence-based practices within the service delivery systems of the Regional MH/MR Boards. To this end, the following activities are in place:

- KDMHMRS has joined a consortium of states organized by NASMHPD to study current patterns of evidence-based practices being used;
- Statewide training initiatives consistently include evidence-based practices in its curriculum;
- Evidence-based practice research is a primary focus of all major planning initiatives; and
- Contained in the charge of the Children's Workgroup of the HB 843 Commission is the goal of developing a list of preferred evidence based practices for children with severe emotional disturbances and their families. A "sub-work group" has been convened and is developing objectives to address this goal.

The Department has submitted two grant applications during SFY 2003: a NIMH/SAMHSA EBP planning grant as well as a SAMHSA training and evaluation grant focusing on implementing medication algorithms.

The Department and individual Regional Boards are already implementing a number of evidence-based practices both in the state hospitals and in the community mental health centers. The Department has devoted significant resources to the Kentucky Medication Algorithm Program, an evidence-based practice based on the Texas Medication Algorithm Project and begun in Louisville with Central State Hospital, Seven Counties Services, and the University of Louisville as principal partners. Criterion One and Five will address specific evidence-based practices that have been embedded in local service systems.

Data and Outcomes

KDMHMRS makes decisions on program development based upon an array of information sources. Over the past ten years, the Department has developed a system to structure and house all incoming data. Information made available to the Department includes:

- Regional MH/MR Board Client, Event and Human Resources Data
- Facility Admission and Discharge Data
- Adult and Child/Family Outcome Assessment Data

Submission of the data from each Regional MH/MR Board historically has been voluntary, but became mandatory beginning in SFY 2003 for data elements related to specific contract-based performance indicators. Beginning in SFY 2004, a "Performance Bond" is included in each contract that outlines performance requirements for accuracy, completeness and timeliness. Should a Board not meet specified performance standards, one percent of certain contract funds may be forfeited.

Quality Assurance and Monitoring

As KDMHMRS receives data from Regional MH/MR Boards, it is critical to have a process that facilitates information exchanges and maintains continuity and relational values among data sets. The Joint Committee on Information Continuity (JCIC) is the Committee that establishes policies and procedures for this purpose. All KDMHMRS projects involving data collection from Regional MH/MR Boards must be presented to JCIC for consultation and approval. JCIC, which meets bimonthly, is comprised of representatives from the Regional Boards, the Department, and the contracted information management entity, and makes recommendations directly to the Commissioner.

Performance Indicators

Since SFY 2000, a comprehensive "Inventory" of performance indicators has been in place. The indicators on the Inventory can be applied to any of the following programs:

- CMHS Block Grant;
- Status Assessments (program monitoring);
- Healthy Kentuckians 2010;
- Kentucky IMPACT; and
- Other service contracts.

Certain indicators from the inventory have been prioritized for use in monitoring contractual performance of Regional MH/MR Boards. During SFY 2002, the prioritized indicators were categorized as "baseline" and "developmental," depending on the extent of historical or comparative data that was available. Beginning in SFY 2003, the Division of Mental Health adopted sixteen indicators specific to the CMHS Block Grant.

The goal of the Division of Mental Health related to performance indicator development is to continue guiding Regional Boards to expand and relate indicator information with information directly from outcomes measurements. The ultimate goal is to truly measure the effect of services on the lives of individuals. Outcomes

initiatives specific to the two priority populations served in Kentucky (adults with severe mental illness and children with severe emotional disturbances) are described below.

Adult Clinical Outcomes Measurements

The Center for Mental Health Services awarded a Data Infrastructure Grant to Kentucky in the fall of 2001. One aspect of the grant allows the Division of Mental Health to drive the Department's performance indicators toward real-life outcomes measurements. Kentucky plans to do this by improving the structure and accuracy of client/event data, evaluating the application of the Brief Psychiatric Rating Scale (BPRS) currently being used, and implementing new outcomes measurement tools. Additionally, this project allows the Division to continue developing a relational database structure so that all incoming data can be cross-referenced in-house and across agencies, and Kentucky can begin comparing its data with that of other states.

A position paper was developed in 2001 that examined the status of outcomes measurement and management at the Department and Regional MH/MR Board level. Using this document as a guide, a recommendation was made to implement a standard set of clinical measures with certain populations or settings across all Regional MH/MR Boards beginning in SFY 2003.

Under the auspice of the Mental Health Outcomes Project, the Clinical Outcomes Adult Advisory Group was formed for the purposes of evaluating outcomes instruments that may meet the information needs of the Division. During the summer of 2001, instruments were identified and evaluated for their efficacy and potential for reflecting concerns held by all interested parties. The recommended instruments and associated target populations include:

- *Brief Psychiatric Rating Scale* (BPRS) for individuals served in Crisis Stabilization Units
- *Multnomah Community Ability Scale (MCAS)* for SMI consumers served in Therapeutic Rehabilitation programs;
- *Medical Outcomes Study Health Status Survey* for SMI consumers served in Therapeutic Rehabilitation programs; and
- *Kentucky Behavioral Health Outcomes Measurement Tool* for outpatient consumers

This tool includes three instruments:

- ✓ Kentucky Consumer Satisfaction Survey;
- ✓ The 21 item Mental Health Statistics Improvement Program Survey; and
- ✓ Medical Outcomes Study Health Status Survey.

An implementation plan was adopted in the summer of 2002 for the BPRS and MCAS. The BPRS will continue to be administered at crisis stabilization programs while the MCAS will be initially implemented in therapeutic rehabilitation programs.

An initial "training-of-trainers" session was held in October 2002. Currently an implementation plan is being developed for administration of the Kentucky Consumer Satisfaction Survey. This instrument will be mailed to mental health consumers who will be able to access phone support through the statewide consumer organization.

Child Clinical Outcomes Measurement

The Kentucky IMPACT Program, a statewide interagency system of care for children with severe emotional disturbances, has gathered data for thirteen years on the children and families that it serves. This system of data collection was developed for program evaluation purposes, not outcomes monitoring per se. However, the State Interagency Council, which holds primary oversight for the IMPACT program, approved the development of a steering committee/workgroup to review and evolve the system to one that is outcomes-based, utilization-focused, and technologically advanced.

A separate study, completed in June 2001, used the *Caregiver Satisfaction Questionnaire* to assess the satisfaction of caregivers with children's Medicaid behavioral health services. Since October 1, 2001, evaluation information has been collated concerning children in IMPACT Plus, a Medicaid system of care program that expands Kentucky IMPACT services. Data are gathered at intake and every six months that a child remains in the program. The following measures are used:

- *Child Behavioral Checklist;*
- *Ohio Scales of Functioning, Hopefulness, Satisfaction; and*
- *Residential Review Environment and Placement Stability Scale.*

Human Resource Development

KDMHMRS is collaborating with the Regional MH/MR Boards and colleges and universities, as well as other key stakeholders, to develop immediate and long-term strategies to address the shortage of qualified behavioral health professionals in Kentucky. A statewide Forum was held in May 2002 to kick-off the formation of a state level workgroup (under the HB 843 structure) and regional teams. A follow-up Forum was held in January 2003 to allow participants to share progress and accomplishments. Another such Forum is tentatively planned for November 2003.

Communications

The Division of Mental Health is continuously upgrading its web site to inform stakeholders about its activities. A web site redesign committee is planning changes that will make the site more user friendly, especially to consumers of mental health services. The current web site provides access to:

- Contact information for Division staff;
- Description of major programs;
- Mental health statistics;

- Text of major planning documents (including the mental health block grant application and implementation report and HB 843 reports);
- Current news and announcements; and
- Links to Regional MH/MR Boards and other mental health resources.

Plans for SFY 2004 include:

- Posting the Division's training and conference schedule;
- Providing an on-line capability for conference and training registration; and
- Posting annual reports.

Role Of The Kentucky Mental Health Services Planning Council

Established by an administrative order of the Secretary for Health Services in compliance with the terms and conditions of the CMHS Block Grant, the Kentucky Mental Health Services Planning Council is charged with reviewing plans for allocation of mental health funds in the Commonwealth and serving as an advocate for all Kentuckians and their families whose lives have been changed and challenged by mental illness. The Council is comprised of consumers of mental health services, family members of adults and children, and representatives of state agencies and consumer organizations.

The by-laws enclosed with this application outline the policies and procedures of the Council, including the selection of Council members and officers, their terms, and the conduct of meetings. Meeting four times a year, the Council's deliberations and recommendations are shaped by this mission statement:

> *"The Mission of the Kentucky Mental Health Services Planning Council is to form a broad-based partnership of consumers, family members, providers, and state agencies that assures through a comprehensive plan that all Kentuckians with mental illness have access to effective, affordable services in their own communities which promote ongoing recovery."*

Council meetings were well attended during SFY 2003. The Council was heavily involved in review of the following issues:

- Promotion of evidence-based practices;
- De Novo process for involuntary hospitalization;
- Leadership training for consumers;
- Advance directive legislation; and
- Crisis stabilization program development.

Members receive regular updates on legislative issues, HB 843, state Olmstead planning and the Real Choices grant. The Council also frequently hears special presentations to enhance their understanding of the service system. At the May 2003 meeting, the Council heard a presentation on the President's New Freedom Commission on Mental Health. They are increasingly aware of state and national trends, and what the service landscape in Kentucky is like for adults with mental illness and children with emotional disturbances.

The Council will meet at least four times during SFY 2004. At its first meeting in August 2003, the Council reviewed the CMHS Block Grant Plan for SFY 2004 and shared comments with the adult and child planners. In the fall of 2003, the Council will also elect new officers.